

Lincoln Parish Sheriff's Office
Ruston, Louisiana

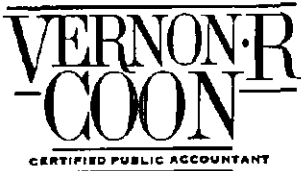
LINCOLN PARISH SHERIFF
(As Ex-Officio Parish Tax Collector)
Ruston, Louisiana

Financial Statements With
Independent Auditor's Report
As of and for the Year Ended
June 30, 1996

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date NOV 20 1996

VERNON R
COON
CERTIFIED PUBLIC ACCOUNTANT



MANAGEMENT LETTER

HONORABLE WAYNE HOUCK
LINCOLN PARISH SHERIFF AND
EX-OFFICIO PARISH TAX COLLECTOR
Ruston, Louisiana

In planning and performing my audit of the financial statements of the Tax Collector Agency Fund of the Lincoln Parish Sheriff for the year ended June 30, 1996, certain matters came to my attention which I feel should be conveyed to management of the sheriff. These matters, while not appropriate for inclusion in the various auditor's reports accompanying the financial statements, are items which I feel should be brought to your attention.

Need to Settle Collections on A Timely Basis

During my test of settlements and bank reconciliations it was noted that checks dated May 10, 1996, for April, 1996 tax collections did not clear the bank until August, 1996. Further review disclosed that checks for May and June, 1996 collections were dated July 31, 1996 and cleared the bank in August, 1996. Louisiana Revised Statutes 47:2060 requires the sheriff to settle collections for each month by the tenth of the following month. I recommend that checks for all future settlements be dated and issued by the tenth of the month following collection.

GENERAL

I am available to assist you with any problems or questions you may have concerning the above or any other matters.

Respectfully,

A handwritten signature in black ink, appearing to read "Vernon R. Coon".

Vernon R. Coon
November 1, 1996

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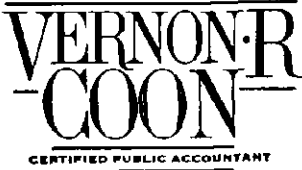
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LINCOLN PARISH SHERIFF
(As Ex-Officio Parish Tax Collector)
Ruston, Louisiana

Financial Statements With
Independent Auditor's Report
As of and for the Year Ended June 30, 1996

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MANAGEMENT LETTER

HONORABLE WAYNE HOUCK
LINCOLN PARISH SHERIFF AND
EX-OFFICIO PARISH TAX COLLECTOR
Ruston, Louisiana

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Vernon R. Coon
November 1, 1996



Independent Auditor's Report

HONORABLE WAYNE HOUCK
LINCOLN PARISH SHERIFF AND
EX-OFFICIO PARISH TAX COLLECTOR
Ruston, Louisiana

I have audited the financial statements of the Tax Collector Agency Fund of the Lincoln Parish Sheriff, as of June 30, 1996, and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the Lincoln Parish Sheriff's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

As described in note 1, the Lincoln Parish Sheriff is the ex-officio tax collector for the various taxing bodies within Lincoln Parish, and the accompanying financial statements present information only on his activities as parish tax collector. Further, the accompanying financial statements have been prepared on the basis of cash receipts and disbursements which is a comprehensive basis of accounting other than generally accepted accounting principles.

In my opinion, the financial statements referred to in the first paragraph present fairly the assets and liabilities arising from cash transactions of the Tax Collector Agency Fund of the Lincoln Parish Sheriff as of June 30, 1996, and the collections and distributions for the year then ended, on the basis of accounting as described in note 1.

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HONORABLE WAYNE HOUCK
LINCOLN PARISH SHERIFF AND
EX-OFFICIO PARISH TAX COLLECTOR
Ruston, Louisiana
Independent Auditor's Report,
June 30, 1996

In accordance with *Government Auditing Standards*, I have also issued reports dated November 1, 1996 on the Lincoln Parish Sheriff's compliance with laws and regulations, and my consideration of the agency's internal control structure.



West Monroe, Louisiana
November 1, 1996

FINANCIAL STATEMENTS

Statement A

**LINCOLN PARISH SHERIFF
Ruston, Louisiana
TAX COLLECTOR AGENCY FUND**

**Statement of Assets and Liabilities
Arising from Cash Transactions
June 30, 1996**

ASSETS

Cash	<u><u>\$674,251</u></u>
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LIABILITIES

Unsettled balances due to taxing bodies and others	<u><u>\$674,251</u></u>
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The accompanying notes are an integral part of this statement.

Statement B

**LINCOLN PARISH SHERIFF
Ruston, Louisiana
TAX COLLECTOR AGENCY FUND**

**Statement of Collections, Distributions, and
Unsettled Balances Due to Taxing Bodies and Others
For the Year Ended June 30, 1996**

**UNSETTLED BALANCES DUE TO TAXING
BODIES AND OTHERS, JUNE 30, 1995**

\$430,878

COLLECTIONS

Ad valorem taxes:

Current year	10,103,536
Prior year	12,751
Paid under protest	115,178
Prior year fire district fees	18,252
State Revenue Sharing	875,804
In lieu of taxes	28,474
Sportsman licenses	106,191
Insurance licenses	51,914
Interest on:	
NOW accounts	20,288
Delinquent taxes	22,925
Delinquent fire fees	4,754
Protested taxes held in escrow	10,915
Redemptions	10,482
Bankruptcies	631
Tax notices, etc.	31,714
Refunds	64,894
Total collections	<u>11,478,703</u>
Total	<u>11,909,581</u>

DISTRIBUTIONS

Louisiana Forestry Commission	17,255
Louisiana Department of Wildlife and Fisheries	68,394
Louisiana Tax Commission	3,629

(Continued)

Statement B**LINCOLN PARISH SHERIFF**

Ruston, Louisiana

TAX COLLECTOR AGENCY FUND

Statement of Collections, Distributions,
and Unsettled Balances Due to
Taxing Bodies and Others, etc.

DISTRIBUTIONS: (CONTD.)

Lincoln Parish:

Assessor	\$345,372
Clerk of Court	732
Police Jury	1,973,357
School Board	5,264,551
Sheriff	1,778,745
Fire Protection District No. 1	787,147
City of Ruston	652,452
Pension funds	272,589
Refunds	68,039
Other	<u>3,068</u>
Total distributions	<u>11,235,330</u>

**UNSETTLED BALANCES DUE TO TAXING
BODIES AND OTHERS, JUNE 30, 1996**

\$674,251

(Concluded)

The accompanying notes are an integral part of this statement.

LINCOLN PARISH SHERIFF
Ruston, Louisiana
TAX COLLECTOR AGENCY FUND

Notes to the Financial Statements
As of and For the Year Ended June 30, 1996

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the sheriff is the ex-officio tax collector of the parish and is responsible for the collection and distribution of ad valorem property taxes, parish licenses, state revenue sharing funds, and angling, hunting, and trapping licenses.

A. REPORTING ENTITY

Louisiana Revised Statute 24:517(D) requires the accounts of each parish tax collector to be audited annually. Accordingly, the accompanying financial statements reflect the financial activity of the sheriff related only to his responsibility as ex-officio parish tax collector. Amounts included in these financial statements are also included in the sheriff's annual general purpose financial statements.

B. BASIS OF ACCOUNTING

The accounts of the parish tax collector are established to reflect the collections imposed by law, the distributions pursuant to such law, and the unsettled balances due various tax recipient bodies and others. The accompanying financial statements have been prepared on the cash basis of accounting, with collections recognized when received and distributions recognized when paid.

C. CASH

State law authorizes the sheriff to deposit tax collections, in interest bearing accounts, with a bank domiciled in the parish where the funds are collected. Further, the sheriff may invest these deposits in certificates of deposit or other investments permitted by law. At June 30, 1996, the sheriff has cash (bank balances) totaling \$674,251. All cash is deposited in interest bearing demand accounts, that are fully secured by federal deposit insurance.

LINCOLN PARISH SHERIFF

Ruston, Louisiana

TAX COLLECTOR AGENCY FUND

Notes to the Financial Statements (Continued)

2. STATE REVENUE SHARING FUNDS

The revenue sharing funds provided by Act 1220 of 1995 were distributed as follows:

Lincoln Parish:	
Assessor	\$48,378
Police Jury	285,119
School Board	292,003
Sheriff	232,458
Pension funds	<u>17,846</u>
Total	<u>\$875,804</u>

3. TAXES PAID UNDER PROTEST

Louisiana Revised Statute 47:1576 provides that taxpayers, at the time of payment of all taxes due, may give notice to the tax collector of their intention to file suit for recovery of all or a portion of the total taxes paid. Upon receipt of this notice, the amount paid shall be segregated and held by the tax collector for a period of thirty days. If the suit is filed within the thirty day period for recovery of such amounts, the funds segregated shall be held pending outcome of the suit. If the taxpayer prevails, the tax collector shall refund the amount due, with interest earned from the date the funds were received by the tax collector. The following is a summary of the transactions relating to protested taxes:

<u>Tax Roll</u>	BalanceAdditions....		<u>Reductions</u>	Balance
	July 1, 1995	<u>Taxes</u>	<u>Interest</u>		June 30, 1996
1990	\$56,102		\$1,793		\$57,895
1991	48,159		1,536		49,695
1992	29,375		819		30,194
1993	80,653		2,249		82,902
1994	119,148		3,306	(\$607)	121,847
1995		<u>\$115,178</u>	<u>1,209</u>		<u>116,387</u>
Total	<u>\$333,437</u>	<u>\$115,178</u>	<u>\$10,912</u>	<u>(\$607)</u>	<u>\$458,920</u>

LINCOLN PARISH SHERIFF
Ruston, Louisiana
TAX COLLECTOR AGENCY FUND
Notes to the Financial Statements (Continued)

4. MOTOR VEHICLE DEALERS TAXES

Louisiana Revised Statute 47:1961.2 requires that motor vehicle dealers in the parish transfer to the tax collector, monthly, estimated ad valorem taxes due on motor vehicles sold during the month. During December of each year, the dealer's actual tax liability is determined and that amount is transferred to the tax collector account for settlement to the various taxing districts. Any amounts exceeding the auto dealer's tax liability will be distributed among the appropriate taxing bodies. The following schedule provides detail on changes in motor vehicle dealer taxes during the period ended June 30, 1996:

Balance at June 30, 1995	\$56,122
Remittances	129,216
Transfers to tax collector account	<u>(131,780)</u>
Balance at June 30, 1996	<u>\$53,558</u>

**Independent Auditor's Reports Required
by *Government Auditing Standards***

The following independent auditor's reports on compliance with laws and regulations, and internal control structure are presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.



Independent Auditor's Report on Compliance With Laws and Regulations

HONORABLE WAYNE HOUCK
LINCOLN PARISH SHERIFF AND
EX-OFFICIO TAX COLLECTOR
Ruston, Louisiana

I have audited the financial statements of the Tax Collector Agency Fund of the Lincoln Parish Sheriff as of June 30, 1996, and for the year then ended, and have issued my report thereon dated November 1, 1996.

I conducted my audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. Those standards and the audit guide require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws and regulations applicable to the Tax Collector Agency Fund, is the responsibility of the sheriff's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of the Lincoln Parish Sheriff's compliance with certain provisions of laws and regulations. However, the objective of my audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

I noted an immaterial instance of noncompliance that I have reported to the management of the Lincoln Parish Sheriff in a separate letter dated November 1, 1996.

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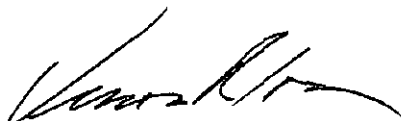
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LINCOLN PARISH SHERIFF AND
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Ruston, Louisiana
Independent Auditor's Report on
Compliance With Laws and Regulations,
June 30, 1996

This report is intended for the information of the management of the Lincoln Parish Sheriff. This is not intended to limit the distribution of this report, which is a matter of public record.



West Monroe, Louisiana
November 1, 1996



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Independent Auditor's Report on the Internal Control Structure

HONORABLE WAYNE HOUCK
LINCOLN PARISH SHERIFF AND
EX-OFFICIO TAX COLLECTOR
Ruston, Louisiana

I have audited the financial statements of the Tax Collector Agency Fund of the Lincoln Parish Sheriff as of June 30, 1996, and for the year then ended, and have issued my report thereon dated November 1, 1996.

I conducted my audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of the Lincoln Parish Sheriff is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles or other comprehensive basis of accounting. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing my audit of the financial statements of the Tax Collector Agency Fund of the Lincoln Parish Sheriff for the year ended June 30, 1996, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and

HONORABLE WAYNE HOUCK
LINCOLN PARISH SHERIFF AND
EX-OFFICIO TAX COLLECTOR

Ruston, Louisiana

Independent Auditor's Report on

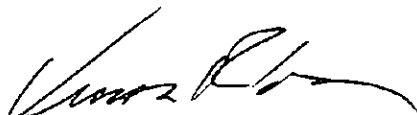
Internal Control Structure,

June 30, 1996

procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control structure and its operation that I considered to be material weaknesses as defined above.

This report is intended for the information of the management of the Lincoln Parish Sheriff. This is not intended to limit the distribution of this report, which is a matter of public record.



West Monroe, Louisiana

November 1, 1996